

**STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Securities Act of the State
of Washington by:

Jeffrey Beneson,
Respondent

SDO -009 - 01

ENTRY OF FINDINGS OF FACT AND
CONCLUSIONS OF LAW AND FINAL ORDER
CEASE AND DESIST

Case No. 98-12-408

THE STATE OF WASHINGTON TO: Jeffrey Beneson

On December 26, 2000, the Securities Administrator of the State of Washington issued Statement of Charges and Notice of Intention to Enter Order to Cease and Desist SDO 93-00, hereinafter referred to as Statement of Charges, to Jeffrey Beneson.

The Statement of Charges, together with a Notice of Opportunity to Defend and Opportunity for Hearing (, hereinafter referred to as "Notice of Opportunity for Hearing") and an Application for Adjudicative Hearing (, hereinafter referred to as "Application for Hearing") thereon, were served on Beneson's attorney, James Parsons, on January 11, 2001 who accepted service for Beneson. The Notice of Opportunity for Hearing advised Jeffrey Beneson that he had twenty days from the date he received the notice to file a written application for an administrative hearing on the Statement of Charges.

Jeffrey Beneson failed to request an administrative hearing within twenty days of his receipt of the Statement of Charges and Notice of Opportunity for Hearing, either on the Application for hearing provided or otherwise.

The Securities Administrator therefore will adopt as final the findings of fact and conclusions of law as set forth in the Statement of Charges.

The Securities Administrator makes the following findings of fact and conclusions of law:

ENTRY OF FINDINGS OF FACT AND
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ORDER CEASE AND DESIST

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FINDINGS OF FACT

I.

Jeffrey Beneson was a registered securities salesperson in Washington state from April 1988 through October 1995 for a series of broker-dealers. Beneson has not been registered as a securities salesperson since October 26, 1995.

II.

Beginning no later than August 1995 and continuing through August 1998, Beneson solicited sales of shares of stock from at least two Washington residents in a number of different companies. These companies included Global Digital Information, Inc., later known as Master Piece Technology; Green Scan Imaging Centers, Inc.; W3 Magic Corporation. Beneson represented to each Washington resident that Beneson was selling his personal shares of these stock. On two occasions, Beneson arranged for another person, Russell Koch, a former securities salesperson who has been barred by the National Association of Securities Dealers, to sell his shares of stock to one of the Washington residents. Beneson received over \$60,000 for the shares he sold, primarily in the form of checks payable to him personally. He sold the shares in at least twelve separate transactions. Beneson led the Washington residents to believe that the companies in which he sold the shares were about to go public and that he was able to offer them these shares in advance of the public offerings. Beneson said that the shares would cost the Washington residents less than a dollar a share but would be worth \$5 a share when the companies went public. Beneson had no basis for the claim that the shares he sold would soon be many times more valuable.

III.

Jeffrey Beneson is not currently registered as a securities salesperson or broker-dealer in the state of Washington and has not been so registered since October 26, 1995.

Based upon the above Findings of Fact, the following Conclusions of Law are made:

ENTRY OF FINDINGS OF FACT AND
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CONCLUSIONS OF LAW

I.

The offer and/or sale of shares of stock described above constitutes the offer and/or sale of a security as defined in RCW 21.20.005(10) and (12).

II.

Jeffrey Beneson has violated RCW 21.20.040 by engaging in the business of effecting transactions in securities for the account of others or for his own account while not registered as a securities salesperson or broker-dealer in the state of Washington.

III..

The offer and/or sale of said securities was made in violation of RCW 21.20.010 because investors were induced to purchase based on the claim that the shares they purchased would soon be worth many times the purchase price they paid for the shares when the companies went public without being told that there was no assurance that the companies would ever go public or that if they did the shares would become significantly more valuable.

Based upon the above Findings of Fact and Conclusions of Law it is hereby

ORDERED that respondent Jeffrey Beneson cease and desist from violation of RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further ORDERED that respondent Jeffrey Beneson cease and desist from offering and/or selling securities in any manner in violation of RCW 21.20.040, the section of the Securities Act of Washington requiring registration of broker-dealers and salespersons.

This Order is entered pursuant to RCW 21.20.390 and is subject to the provisions of ch. 34.05 RCW.

WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

1 DATED this 15th day of February, 2001.

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DEBORAH R. BORTNER
4 Securities Administrator

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6 Approved By:

Presented By:

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Michael E. Stevenson
9 Chief of Enforcement

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Suzanne E. Sarason
11 Senior Enforcement Attorney

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